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**UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA**

ZOHO CORPORATION PVT. LTD,

Plaintiff,

v.

FRESHWORKS, INC.

Defendant.

Case No: 3:20-cv-01869-VC

**FIRST AMENDED COMPLAINT FOR:**

- (1) VIOLATION OF DEFENSE OF TRADE  
SECRETS ACT;**  
**(2) VIOLATION OF CALIFORNIA  
UNIFORM TRADE SECRETS ACT;**

1 Zoho Corporation Pvt. Ltd. (“Plaintiff” or “Zoho”), by and through its attorneys, brings this  
2 First Amended Complaint against Defendant Freshworks, Inc. (“Defendant” or “Freshworks”) and  
3 alleges as follows:

#### 4 **INTRODUCTION**

5 1. From its inception, Freshworks built its business upon the theft and misuse of Zoho’s  
6 confidential business information. Founded by two former Zoho employees, Girish Mathrubootham  
7 (formerly a Vice President of Product Management at Zoho) and Shan Krishnasamy (formerly a  
8 Zoho Technical Architect working under Mr. Mathrubootham), Freshworks secured initial funding  
9 through use of Zoho’s non-public financial information and has since engaged in a systematic  
10 practice of gaining access to and using confidential Zoho customer and competitive market  
11 information. Specically, Freshworks has (1) poached more than one hundred Zoho employees over  
12 the last several years in order to gain access to Zoho’s confidential information, (2) pressured Zoho’s  
13 business partners to divulge Zoho confidential customer information and (3) recently improperly  
14 obtained direct access to Zoho’s confidential Customer Relationship Management (CRM) database  
15 that includes specific confidential details regarding Zoho’s customers, sales leads, revenue and  
16 product development information. Freshworks has used Zoho’s confidential trade secret information  
17 in order to gain an unlawful competitive advantage.

18 2. Founded almost twenty-five years ago, Zoho is one of the world’s leading providers of  
19 web-based business software and information technology tools. Zoho has spent more than two  
20 decades developing software solutions for nearly all aspects of business. Zoho has spent hundreds of  
21 millions of dollars and countless man hours studying and learning about the needs of the business  
22 software market, developing customer relationships and prospects, and developing solutions to meet  
23 those needs and serve its customers and propects. A critical part of Zoho’s learning is through its  
24 own use of its prodcuts. As a company run completely on its own software solutions, Zoho’s own  
25 experience using its software to run a business gives Zoho unique insight into market needs and  
26 demands, enabling it to better plan product features and releases, including what type of products  
27 customers will want, what specific features should be included, and the best way to interface with  
28 users.

1           3.       Many of Zoho's product offerings originated as tools developed for Zoho's own  
2 internal use. For example, Zoho included a bug tracking module in its Zoho Projects product based  
3 on the requirements of several of its own products teams' internal development and use of the  
4 software. See <https://www.zoho.com/general/blog/zoho-runs-on-zoho.html>. Consequently, Zoho  
5 employees throughout the entire organization, when performing their normal duties, contribute to and  
6 have knowledge of Zoho's plans for future product development and offerings through their own use  
7 of and requirements for Zoho's software tools. This type of internally generated information gives  
8 Zoho a competitive advantage in the market.

9           4.       Zoho continues to innovate and consult both internally and with its customers on the  
10 development of new features and cloud-based offerings to serve the evolving needs of businesses.  
11 The relationship Zoho builds with its customers, business leads, and its own workforce provides  
12 Zoho with valuable feedback regarding the use and features of Zoho products. These relationships  
13 and dynamics are an integral part of Zoho's success, differentiating it from other providers and  
14 enabling its continued leadership and competitiveness in the market.

15           5.       Accordingly, Zoho goes to great lengths to protect the confidentiality of such  
16 information. For example, access to Zoho confidential business information such as customer  
17 contacts, potential leads, market information including customer preferences, and product plans are  
18 limited to employee use in furtherance of their job duties. Zoho requires its employees to execute  
19 non-disclosure agreements promising to keep any Zoho trade secrets, confidential business  
20 information, technical information and non-public know-how (including information regarding  
21 company finances, employees, compensation, research and development, manufacturing and  
22 marketing) in confidence and not to disclose such information outside of Zoho both during and after  
23 their employment. Employee confidentiality obligations extend to all confidential business  
24 information, including technical information, product development roadmaps, marketing plans, and  
25 customer lists and potential leads tracked in Zoho's databases.

26           6.       Having worked at Zoho for nine years prior to their founding of Freshworks, Messrs.  
27 Mathrubootham and Krishnasamy were privy to confidential Zoho product, financial, pricing, and  
28 customer information and were well aware of Zoho employees' creation of and access to Zoho

1 competitive business information. Despite being well aware of his confidentiality obligations  
2 restricting use of any Zoho confidential information, shortly after leaving Zoho to start Freshworks,  
3 Mr. Mathrubootham improperly included Zoho confidential (product specific) revenue figures in  
4 early Freshworks investor pitch materials to secure initial investments. After learning of this, Zoho  
5 promptly raised the impropriety of such use with Mr. Mathrubootham who agreed to remove Zoho's  
6 confidential information from future investment pitch materials.

7 7. Despite this promise, on information and belief, Messrs. Mathrubootham and  
8 Krishnasamy further used Zoho know-how, product development, and market data to start  
9 Freshworks. While at Zoho, Mr. Mathrubootham was Vice President of Product Management for  
10 ManageEngine, Zoho's IT Management software. In that role, he was head of customer support for  
11 ManageEngine, which offered him specialized and non-public knowledge of what Zoho (and thus  
12 other similar mid-size companies) would need in a tool to provide efficient and effective support to  
13 its customers.

14 8. With nine years of this type of Zoho knowledge, Messrs. Mathrubootham and  
15 Krishnasamy left Zoho to start Freshworks. Their first project was a prototype for a customer support  
16 tracking and management software, exactly the type of services headed up by Mr. Mathrubootham at  
17 Zoho. See <https://www.freshworks.com/company/about/>. They began this work in October 2010,  
18 just as Zoho announced the release of Zoho Support (now Zoho Desk), Zoho's own customer support  
19 software tool under development while Mr. Mathrubootham was still at Zoho heading up customer  
20 support for ManageEngine. See <https://www.zoho.com/news/zoho-announces-zoho-support.html>.

21 9. Freshworks' customer support software, known as Freshdesk, would launch less than a  
22 year later. Thereafter, Freshworks continued to launch a series of software products mirroring those  
23 offered by Zoho and that, on information and belief, were known to and used by Messrs.  
24 Mathrubootham and Krishnasamy while employed at Zoho. For example, Freshworks' second  
25 product, Freshservice – an IT Service Management (ITSM) tool – launched in competition with  
26 Zoho's ManageEngine ServiceDesk Plus software, a tool that Mr. Mathrubootham worked on while  
27 at Zoho. Freshworks then launched Freshsales in competition with Zoho CRM, Freshteam in  
28 competition with Zoho Recruit, and Freshchat in competition with Zoho's SalesIQ.

1           10.     Since then, Freshworks has continued the practice of misappropriating Zoho's  
2 confidential and competitive business information to compete with Zoho. Knowing Zoho employees  
3 have unique knowledge of the market landscape (including confidential Zoho customer contacts,  
4 contacts at prospective Zoho customers and customer requirements) and Zoho's development paths  
5 for its business tools, Freshworks has recruited over a hundred employees from Zoho to gain access  
6 to such confidential Zoho information.

7           11.     Freshworks has made use of Zoho confidential customer data. Freshworks has been  
8 systematically contacting Zoho's customers using Zoho confidential information. In some of these  
9 instances, Freshworks contacted Zoho's customers at email addresses the customers created solely for  
10 registration with Zoho's cloud-based offerings. The only way Freshworks would have knowledge of  
11 the email addresses it used to contact Zoho's customers is through unauthorized direct access of  
12 Zoho's confidential CRM database, which houses Zoho's confidential information about customers,  
13 presale engagements and potential leads including private individual contact information, private  
14 phone numbers, private email addresses, individual customer product needs, individual customers  
15 product preferences, individual customer product and feature suggestions, historical purchasing  
16 information, engagement history and Zoho revenue information.

17           12.     Freshworks has also sought to obtain confidential Zoho information from Zoho's  
18 Partners. Zoho has also made significant investments in the creation of a robust network of Partners,  
19 including independent software vendors (ISVs) and channel partners that either re-sell Zoho software,  
20 integrate their services with Zoho's tools for end-user clients, or use Zoho's software in providing  
21 services to clients. The cooperative nature of Zoho's relationship with its Partners and the integration  
22 of their respective technical offerings often require Zoho and its Partners to exchange confidential  
23 and proprietary technical, marketing, pricing, and customer information subject to strict  
24 confidentiality obligations.

25           13.     Freshworks has contacted Zoho's Partners and asked them to convert to Freshworks'  
26 Partner programs. On information and belief, as part of this sales and marketing practice, Freshworks  
27 is pressuring Zoho's Partners to switch their Zoho-based sales contracts, clients, and projects to  
28

1 Freshworks and disclose to Freshworks Zoho confidential information the Partners may have in their  
2 possession.

3 14. Instead of generating its own sales leads, mapping out its own product development  
4 plan, building a foundational relationship with customers, Freshworks is stealing and using Zoho  
5 confidential business information, piggybacking on Zoho's long-term investments in product  
6 development and marketing strategy, and interfering with Zoho's relationships with Partners to  
7 compete in the marketplace. In light of Freshworks' misappropriation of Zoho's confidential  
8 information and intentional interference with business relationships, Zoho brings this Complaint to  
9 prevent any further theft and misuse of its proprietary information, to prevent Freshworks from  
10 continuing to disrupts its business relationships, and to stop Freshworks from gaining an unfair  
11 business advantage through Zoho's hardwork and leadership in the industry. Zoho has suffered and  
12 will continue to suffer if Freshworks is allowed to continue its illegal tactics to access and use Zoho  
13 trade secrets and other confidential information.

#### 14 **PARTIES**

15 15. Zoho is a corporation duly organized and existing under the laws of the country of  
16 India, with a principal place of business at Estancia IT Park, Plot No. 140 & 151, GST Road,  
17 Vallancherry Village, Chengalpattu Taluk, Kanchipuram District 603 202, India, and is the parent of  
18 Zoho Corporation, a wholly owned subsidiary corporation duly organized and existing under the laws  
19 of the State of California, having its principal place of business at 4141 Hacienda Drive, Pleasanton,  
20 California 94588.

21 16. Freshworks is a company organized and existing under the laws of the State of  
22 Delaware, with its headquarters located at 2950 S. Delaware Street, Suite 201, San Mateo, CA 94403.

#### 23 **JURISDICTION AND VENUE**

24 17. This Court has personal jurisdiction over Freshworks because Freshworks is  
25 headquartered in this judicial district and has systematic and continuous contacts with the District.

26 18. The Court has subject matter jurisdiction over this action pursuant to 28 U.S.C. § 1331  
27 because Zoho alleges a claim under the Defend Trade Secrets Act of 2016, 18 U.S.C. § 1836, *et seq.*  
28 The Court has subject matter jurisdiction over any related state law claims under 28 U.S.C. § 1367.

19. Venue is proper in this district under 28 U.S.C. § 1391, because a substantial part of the acts constituting and injuries arising from the trade secret misappropriation, and interference with business relationships asserted herein have occurred and are occurring or have effect in this judicial district.

20. For purposes of intradistrict assignment under Civil Local Rules 3-2(c) and 3-5(b), this action will be assigned on a district-wide basis.

### **FACTUAL ALLEGATIONS**

#### **A. Zoho Built Its Success Upon Its Deep Understanding of the Needs of Mid-Size Companies**

21. Since its founding in 1996, Zoho has grown to a global software company with over 7,000 employees world-wide. Starting out with just a single network management software product, almost twenty-five years later, Zoho now operates three divisions: (1) ManageEngine, offering a suite of over 30 IT management software products from service management, to IT operations management, to IT security management and analytics; (2) WebNMS, an enterprise-scale Internet of Things (IoT) platform that enables business to manage remote assets, from data acquisition to device management; and (3) Zoho.com, a web-based offering of over 50 apps addressing the software needs of all departments within an organization, from CRM tools for sales departments, to email and document management software for project management, to accounting and invoicing software for finance departments, to recruiting and staff management tools for human resources.

22. Zoho's success lies in its deep understanding of and long-term commitment to the needs of its customers, enabled by the company's unique structure and culture. As a privately-held company, Zoho is unburdened by external stakeholder pressures to hit development milestones or revenue numbers divorced from the realities of market demand. This allows Zoho to set long-term goals, to invest in building products and designing software packages and releases that it truly believes customers will need, but may take longer to develop or gain traction in the marketplace. Zoho.com was one such project, taking a long time to generate significant revenue, but has since become the future vision for the company – providing a suite of software that can be used to run the entirety of a business.

23. Zoho similarly applies the long-term approach to the recruitment and development software engineers, the foundation of any software company. A true believer in practical and experiential learning, Zoho invests heavily in the recruitment of young talent from low-income households in India through its Zoho University program. At no cost to the recruits, Zoho trains them on the practical and hands-on skills needed to code and build software applications. Upon completion of the program, recruits are automatically inducted as employees with the skills, context, and understanding of how to build tools that will help companies like Zoho run on a day-to-day basis. See <https://www.zohoschools.com/>.

24. All Zoho employees, from its executives, to its engineers, to its accountants, and to its salespeople, contribute to Zoho's culture of experiential learning. All employees use Zoho's software tools in the daily performance of their duties. Zoho's own experience using its software products offers the company invaluable insight into what tools and features will make it easier for mid-size companies to operate the different parts of their business. Thus, everyone across Zoho's organization contributes to the creation of valuable marketing and product development information that gives Zoho a competitive advantage in the market. Zoho captures this highly confidential and proprietary competitive information in its own internal Zoho Projects and ServiceDesk Plus applications. Employees can also communicate with the relevant product team regarding any product concerns and everything is collected and tracked using Zoho Projects. Thus, internally Zoho employees contribute to and maintain data on how to improve Zoho's products.

25. With over two decades of engaging with mid-size companies to understand software needs, Zoho has developed a vast knowledge of the business software market including developing a network of customer and potential customer contacts and developing a deep catalogue of requirements, product interests and feature requests for those customers and prospects. Zoho has spent countless hours developing and maintaining this information. Because this information is of tremendous value for product and feature development and for sales efforts, Zoho maintains this information in strict confidence. The information is made available to its employees on a need to know basis. In addition, every employee is required to execute a confidentiality agreement requiring that all such information is kept confidential.



26. Zoho also understands there are countless ways Zoho's products can reach and benefit end users. As such, in addition to its internal sales channels, Zoho has invested significantly in building relationships with business Partners to provide end-users with the best possible software tools. Zoho partners with ISVs to integrate their respective technologies and provide robust solutions to customers. It also works with channel partners who may resell Zoho products or use Zoho products when providing end services to clients. Zoho's culture of building relationships, services and products that benefit users in the long-term helps to nurture these partnerships and build Zoho's ecosystem. This type of cooperation often requires Zoho to share confidential technical and customer and sales lead data with strategic partners. See <https://www.zoho.com/partners/>.

27. But because Zoho's knowledge regarding customer needs, its customer base, that it built over two decades, and sales relationships are what give Zoho a competitive advantage, Zoho rigorously protects its confidential information. All Zoho business Partners are bound by strict confidentiality provisions, and all Zoho employees are required to execute non-disclosure agreements, prohibiting them from using or disclosing Zoho confidential and proprietary information outside of their work duties. Employee confidentiality obligations extend to all non-public Zoho information, including customer lists, potential leads, technical information, marketing strategy, and product ideas and feedback. Access to Zoho's internal CRM databases that house contact information for all its customers, sales leads, upcoming opportunities, products of interest, engagement history, customer requirements, feature requests, internal Zoho product revenue and correspondence with customers and engagements are limited to employees with roles and responsibilities requiring access. Zoho limits access to its accounts through two-factor authentication and password protection protocols.

**B. Former Zoho Employees Founded Freshworks Using Zoho's Confidential Information**

28. From 2001 to 2010, Messrs. Mathrubootham and Krishnasamy worked at Zoho and were subject to the same confidentiality obligations as all other employees. At the time of his departure from Zoho in 2010, Mr. Mathrubootham was the VP of Product Management for ManageEngine and his responsibilities included heading up Pre-sales and Customer Support for the

1 product. Mr. Krishnasamy worked as a Technical Architect on Mr. Mathrubootham's team. As such,  
2 on information and belief, both Messrs. Mathrubootham and Krishnasamy had access to and  
3 knowledge of Zoho confidential business information, including technical development data, sales  
4 leads, customer lists, customer requirements, Zoho's future product launches and confidential Zoho  
5 financial information.

6 29. Specifically, in his role at Zoho managing customer support services for  
7 ManageEngine, on information and belief, Mr. Mathrubootham had access to, and may have even  
8 contributed to, what features and tools Zoho was planning for a customer support management tool.  
9 Indeed, during his tenure at Zoho, Mr. Mathrubootham handled engineering, product strategy,  
10 development, and customer support for several Zoho product lines including OpsManager and  
11 ServiceDesk Plus, and even claims to have identified five new Zoho product opportunities for  
12 development. See <https://www.linkedin.com/in/girish1/>. As such, Mr. Mathrubootham knew from  
13 Zoho proprietary and confidential information what the demand for a customer support product was  
14 and what customer support features would be important in a customer service management software  
15 application.

16 30. Using this knowledge, in October 2010, Mr. Mathrubootham, along with Mr.  
17 Krishnasamy, departed Zoho to form Freshworks and work on a prototype for a customer service  
18 management tool. <https://www.freshworks.com/company/about/>. Within a month of their departure,  
19 Zoho officially launched its customer support management tool, Zoho Support (now Zoho Desk),  
20 development of which was underway while Mr. Mathrubootham was still employed with Zoho. See  
21 <https://www.zoho.com/news/zoho-announces-zoho-support.html>.

22 31. Just eight months later, in June 2011, Freshworks launched its Freshdesk customer  
23 service solution in competition with Zoho Support. That same month, when marketing and seeking  
24 investments in Freshworks, Mr. Mathrubootham started using in Freshworks materials non-public  
25 Zoho revenue numbers for Zoho ServiceDeskPlus and OpsManager, product lines he was responsible  
26 for while at Zoho. Mr. Mathrubootham disclosed Zoho's confidential revenue figures to investors in  
27 pitch materials and in published interviews, presumably suggesting that his Freshdesk product would  
28 perform similarly.

**C. Freshworks Continues to Use Zoho Confidential Information to Compete Against Zoho**

32. Despite removing Zoho's confidential revenue information from Freshworks' investment pitch materials, Freshworks has continued to copy or target Zoho in its product, sales, and marketing strategies using Zoho confidential information.

33. Knowing that Zoho employees have access to and retain valuable information regarding Zoho customers and leads including specific customer needs, business prospects, product requirements, development roadmaps, and revenue numbers, Freshworks aggressively recruits Zoho employees to join Freshworks. As alleged above, in the ten years since its founding, Freshworks has recruited over one hundred employees from Zoho. The Zoho team in charge of Zoho's SalesIQ and Click products, for example, has seen what, at one point, constituted almost a third of its workforce leave for Freshworks in the past few years.

34. Freshworks' recruitment efforts have not been limited to building a workforce in its nascent stages. In the first two months of 2020 alone, another seven Zoho technical and sales employees have been recruited by Freshworks. Recruitment of Zoho employees alone would not be an issue. Freshworks, however, knows that Zoho employees have unique knowledge of the market landscape, sales opportunities, and Zoho's development paths for its business tools. On information and belief, Freshworks specifically directs recruitment at Zoho employees to gain access to this type of Zoho's confidential customer, marketing, sales, and product development information.

35. Indeed, Freshworks' company strategy has been to track the launch and release of Zoho products. As alleged above, following the launch of Freshdesk in June 2011, Freshworks released a series of products to compete with the software products offered by Zoho. In 2014, Freshworks released Freshservice, an IT Service Management (ITSM) tool which competes with Zoho's ServiceDesk Plus software, one of the products for which Mr. Mathrubootham managed product development, marketing, and customer support while at Zoho. ServiceDesk Plus is also the Zoho product for which Freshworks had and disclosed confidential revenue numbers. In 2016, Freshworks launched Freshsales to compete with Zoho CRM and in 2017, it launched Freshteam to compete with Zoho Recruit and Freshchat to compete with Zoho SalesIQ. On information and belief,

Freshworks then relies on the former employees' knowledge of Zoho's confidential competitive sales data to undercut pricing and target sales strategies to Zoho's customers and sales leads.

36. In addition to product development and sales, on information and belief, Freshworks has used Zoho's confidential information to craft Freshworks' marketing and press strategy, timing its press releases to coincide with Zoho's major product announcements in an effort to dull the market impact of the launch of new Zoho products, as shown below:

| Date     | Zoho Product Announcement  | Freshworks Press Release   |
|----------|--|--|
| 7/27/16  | <ul style="list-style-type: none"> <li>• Zoho announces launch of Zoho CRM product, the industries from multichannel CRM product (<a href="https://www.zoho.com/news/zoho-launches-industry-first-multi-channel-crm.html">https://www.zoho.com/news/zoho-launches-industry-first-multi-channel-crm.html</a>)</li> <li>• Zoho announces launch of SalesInbox (<a href="https://www.zoho.com/news/zoho-launches-the-first-email-client-designed-exclusively-for-salespeople.html">https://www.zoho.com/news/zoho-launches-the-first-email-client-designed-exclusively-for-salespeople.html</a>)</li> <li>• Zoho announces Zoho Developer and Zoho Marketplace offerings (<a href="https://www.zoho.com/news/zoho-developer-and-zoho-marketplace-gives-developer.html">https://www.zoho.com/news/zoho-developer-and-zoho-marketplace-gives-developer.html</a>)</li> </ul> | <ul style="list-style-type: none"> <li>• Freshworks press release regarding (<a href="https://www.freshworks.com/press-release/getapp-names-freshdesk-category-leader/">https://www.freshworks.com/press-release/getapp-names-freshdesk-category-leader/</a>)</li> </ul>   |
| 3/14/17  | <ul style="list-style-type: none"> <li>• Zoho announces launch of Zoho Finance Plus (<a href="https://www.zoho.com/news/zoho-launches-zoho-finance-plus.html">https://www.zoho.com/news/zoho-launches-zoho-finance-plus.html</a>)</li> </ul>   | <ul style="list-style-type: none"> <li>• Freshworks press release regarding partnership with Rolo, issued four days after Rolo's announcement of the same partnership (<a href="https://www.freshworks.com/press-release/freshdesk-partners-with-rolo/">https://www.freshworks.com/press-release/freshdesk-partners-with-rolo/</a>) and (<a href="https://www.getrolo.in/pr_mar10_2017/">https://www.getrolo.in/pr_mar10_2017/</a>)</li> </ul> |
| 11/15/18 | <ul style="list-style-type: none"> <li>• Zoho announces launch of Zoho Analytics – business intelligence and analytics platform (<a href="https://www.zoho.com/news/zoho-analytics-enables-organizations-to-make-smarter-business-decisions.html">https://www.zoho.com/news/zoho-analytics-enables-organizations-to-make-smarter-business-decisions.html</a>)</li> </ul>   | <ul style="list-style-type: none"> <li>• Freshworks press release regarding executive hires (<a href="https://www.freshworks.com/press-release/leadership-hires-cio-ciso/">https://www.freshworks.com/press-release/leadership-hires-cio-ciso/</a>)</li> </ul>   |

|  |   |  |
|--|---|--|
|  | <ul style="list-style-type: none"> <li>• Zoho announces major updates to Zoho Social (<a href="https://www.zoho.com/news/richer-analytics-makes-zoho-social-a-powerful-platform-for-social-media-marketers.html">https://www.zoho.com/news/richer-analytics-makes-zoho-social-a-powerful-platform-for-social-media-marketers.html</a>)</li> <li>• Zoho announces updates to Zoho Desk (<a href="https://www.zoho.com/news/zoho-doubles-down-on-ai-as-it-sees-exponential-growth-in-its-customer-service-management-solution.htm">https://www.zoho.com/news/zoho-doubles-down-on-ai-as-it-sees-exponential-growth-in-its-customer-service-management-solution.htm</a>)</li> <li>• Zoho unveils next generation of Zoho CRM Plus (<a href="https://www.zoho.com/news/zoho-deepens-analytics-and-ai-in-new-customer-experience-platform.html">https://www.zoho.com/news/zoho-deepens-analytics-and-ai-in-new-customer-experience-platform.html</a>)</li> </ul> |  |
|--|---|--|

37. Most egregious, however, has been Freshworks' concerted efforts to steal Zoho confidential competitive sales information including confidential customer lists, sales leads, key contact information for such customers and leads and customer requirements that are integral to Zoho's product development, marketing, and sales strategies. Freshworks has unlawfully gained access to such Zoho data stored in Zoho's confidential Zoho CRM database and its sales personnel have been aggressively contacting these Zoho customers. Zoho's CRM database is not publicly available and is only accessible to "need-to-know" employees under the above-described password and two-factor authentication protocol.

38. Freshworks, however, has gained access to and misappropriated Zoho's confidential customer, sales, and product requirements information housed in Zoho's CRM database. Freshworks has been contacting Zoho customers and leads, using contact information that resides solely on Zoho's CRM database. For example, on February 24, 2020, Mallikarjun "Arjun" Ravikumar – a Freshworks Regional Head – sent out several emails to customers listed in Zoho's confidential CRM database. Among them was the following email sent to [n\\*\\*\\*\\*\\*@a\\*\\*\\*\\*\\*.com](mailto:n*****@a*****.com), a Zoho client who had registered with Zoho CRM and was entered into Zoho's database on January 23, 2020:

From: Mallikarjun Ravikumar <[mallikarjun.ravikumar@freshworks.com](mailto:mallikarjun.ravikumar@freshworks.com)>  
 Sent: Monday, February 24, 2020 10:56:13 PM  
 To: [REDACTED]  
 Subject: Hi [REDACTED] Introducing Freshworks

Hi [REDACTED]

I'm Arjun, regional head for Freshworks. Freshworks is a cloud-based SaaS company in the customer engagement space with 150,000 plus business customers worldwide, funded by top VCs such as Accel, Google Capital, Tiger and Sequoia with a valuation of over 1.5 Billion USD.

We are also a part of [Gartner's Magic Quadrant for CRM Customer Engagement Center](#).

I'm reaching out today to introduce Freshworks as a company and our products!


About Us: [Freshworks](#) is a fast-growing SaaS company based out of Chennai shipping products with the theme "Winning Customers for Life". We streamline the entire buying journey by delivering a solution for Website Engagement( Marketing Automation/Chat), CRM, Customer Support and IT Infrastructure.

Our Products:

1. **Freshdesk** - Helping the customer support agents with **Customer Support desk** to engage and respond to the customer queries from multiple channels.
2. **Freshservice** - ITIL aligned ITSM tool that helps the IT team to communicate better with the employees and makes the IT support process simple and handy. (IT Infrastructure & employee engagement)
3. **Freshsales** - High-velocity sales teams require a platform where they can see their customer or prospect journey in birds-eye view and pitch or sell accordingly. **Freshsales CRM** is one such tool that helps the sales team to attract, nurture, Convert and close deals, with its in-built phone and email system it will be loved by salespeople (Including myself :P).
4. **Freshchat/Freshbot** - Modern live Chat that engages customers with any given point of time and New age AI-Driven BOT to eliminate basic human tasks in engagement space.
5. **Freshteam** - Smart HR software that helps you handle recruiting, on-boarding, time off and employee information in one place.
6. **Freshrelease** - Agile Project Management tool that allows you to track test results, triage bugs and ship quality software on time

For more details on any of these products and to see how these would help your organisation, drop me an email and I'll be happy to help.

Looking forward to hearing from you!

 **Mallikarjun Ravikumar**  
 Regional Head - Freshworks  
 P: +91 9655518023  
 W: [www.freshworks.com](http://www.freshworks.com)  
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39. In response to questioning by the customer as to where Freshworks received the customer's contact information, Mr. Ravikumar attempted to cover up his misconduct and responded that he had used the wrong domain name:

From: Mallikarjun Ravikumar <[mallikarjun.ravikumar@freshworks.com](mailto:mallikarjun.ravikumar@freshworks.com)>  
 Sent: Monday, February 24, 2020, 11:27 PM  
 To: [REDACTED]  
 Subject: Re: Hi [REDACTED] Introducing Freshworks

Hi [REDACTED]

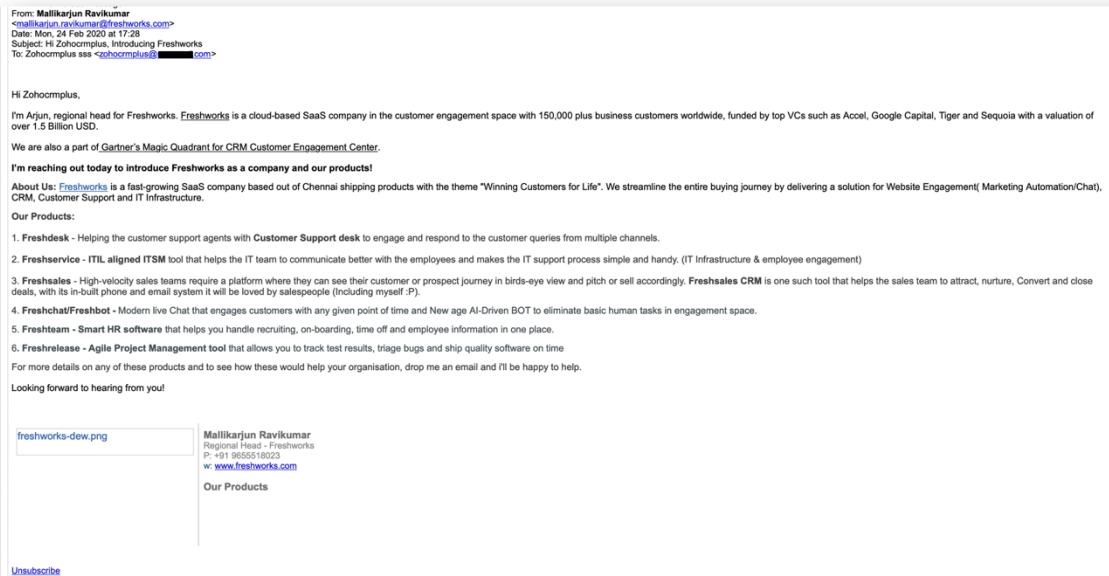
Apologies . I had sent to a [REDACTED] instead of a [REDACTED] I will have your ID immediately removed .

Regards,  
 [REDACTED]

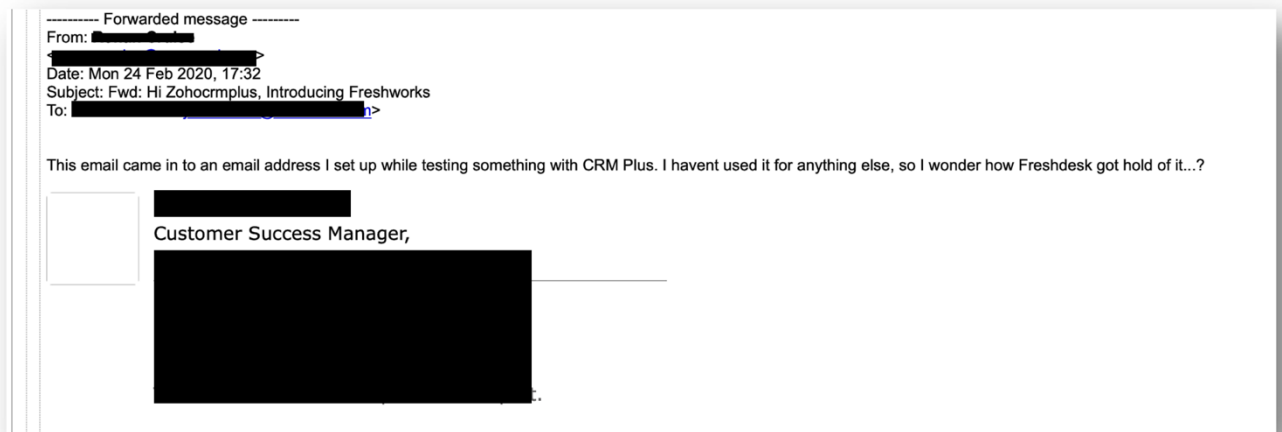
On Mon, 24 Feb 2020, 10:59 pm [REDACTED] > wrote:  
 Curious to know how you got my email address? Do you comply with GDPR?

Thanks,  
 [REDACTED]

40. That, however, was not the only instance of Freshworks' contacting Zoho customers using information that exists only in Zoho's confidential CRM. That same day, Freshworks also sent the same marketing email to a Zoho Partner:



41. The Zoho Partner created the email account for the sole purpose of testing Zoho's CRM plus product, registering it with Zoho's CRM on January 29, 2020. The Partner has never used the email address anywhere else for any other purpose:



42. Indeed, Zoho created several Zoho test accounts and registered them with Zoho's CRM on February 4, 2020 and February 12, 2020. Three test email accounts that exist only in Zoho's CRM also received the same marketing email from Freshworks on February 24, 2020. One of them, set up as [Showzohoneplus@gmail.com](mailto:Showzohoneplus@gmail.com), received the following email from Freshworks:

On Mon, Feb 24, 2020 at 11:01 PM Mallikarjun Ravikumar <mallikarjun.ravikumar@freshworks.com> wrote:

Hi Showzhooneplus,

I'm Arjun, regional head for Freshworks. Freshworks is a cloud-based SaaS company in the customer engagement space with 150,000 plus business customers worldwide, funded by top VCs such as Accel, Google Capital, Tiger and Sequoia with a valuation of over 1.5 Billion USD.

We are also a part of Gartner's Magic Quadrant for CRM Customer Engagement Center.

I'm reaching out today to introduce Freshworks as a company and our products!


About Us: Freshworks is a fast-growing SaaS company based out of Chennai shipping products with the theme "Winning Customers for Life". We streamline the entire buying journey by delivering a solution for Website Engagement( Marketing Automation/Chat), CRM, Customer Support and IT Infrastructure.

Our Products:

1. Freshdesk - Helping the customer support agents with Customer Support desk to engage and respond to the customer queries from multiple channels.
2. Freshservice - ITIL aligned ITSM tool that helps the IT team to communicate better with the employees and makes the IT support process simple and handy. (IT Infrastructure & employee engagement)
3. Freshsales - High-velocity sales teams require a platform where they can see their customer or prospect journey in birds-eye view and pitch or sell accordingly. Freshsales CRM is one such tool that helps the sales team to attract, nurture, Convert and close deals, with its in-built phone and email system it will be loved by salespeople (Including myself :P).
4. Freshchat/Freshbot - Modern live Chat that engages customers with any given point of time and New age AI-Driven BOT to eliminate basic human tasks in engagement space.
5. Freshteam - Smart HR software that helps you handle recruiting, on-boarding, time off and employee information in one place.
6. Freshrelease - Agile Project Management tool that allows you to track test results, triage bugs and ship quality software on time

For more details on any of these products and to see how these would help your organisation, drop me an email and I'll be happy to help.

Looking forward to hearing from you!



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43. In response to follow up inquiry as to how Freshworks received the email address, Mr. Ravikumar responded that he received it from a channel partner who also sells Zoho products, despite the fact that Zoho has never shared this showzhooneplus test email account with anyone:

From: Mallikarjun Ravikumar <mallikarjun.ravikumar@freshworks.com>  
Date: Wed, Mar 4, 2020 at 4:13 PM  
Subject: Re: Hi Showzhooneplus, Introducing Freshworks  
To: showzhoone plus <showzhooneplus@gmail.com>

I'm sorry we are not supposed to share partner details. Having said that, I had a discussion with the partner and he claims that he also resells Zoho products.

Best regards,



**Mallikarjun Ravikumar**  
Regional Head - India & SAARC, Freshworks  
P: +91 9655518023  
w: [www.freshworks.com](http://www.freshworks.com)

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On Wed, Mar 4, 2020 at 9:20 AM showzhoone plus <showzhooneplus@gmail.com> wrote:  
Thanks, can you also give me the contact details of the partner you are referring to? Let me talk to them to understand how they got my email address.

Rupi

On Tue, Mar 3, 2020 at 8:40 PM Mallikarjun Ravikumar <mallikarjun.ravikumar@freshworks.com> wrote:

Hi,

It was from one of our channel partners who had sent us this E-mail id claiming you have shown interest. I have no idea on his source. Let me clarify from them on the same. Having said that, I will remove your E-mail from all the records and avoid further communication.



**Mallikarjun Ravikumar**  
Regional Head - India & SAARC, Freshworks  
P: +91 9655518023  
w: [www.freshworks.com](http://www.freshworks.com)

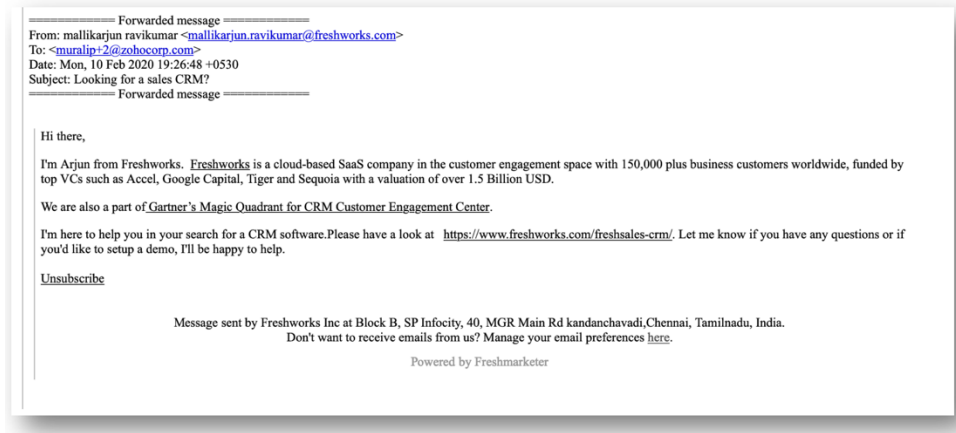
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On Tue, Mar 03, 2020 at 12:09:15 GMT+05:30, showzhoone plus <showzhooneplus@gmail.com> wrote:  
Hey Arjun,  
It is interesting to see that I have received this email without signing up to your service or website. Did you buy some list? or how did you get my email?  
Thanks,  
Rupi

44. Just a few days earlier, on February 10, 2020, two other Zoho test accounts using Zoho email addresses created solely for internal Zoho testing and registered with Zoho's CRM on



January 2 and 3, 2020 received marketing emails from Freshworks. For example, a test [muralip+2@zohocorp.com](mailto:muralip+2@zohocorp.com) email account received the following email from Mr. Ravikumar of Freshworks:



45. As Zoho's test accounts are not registered or used anywhere else, use of such test accounts show that Freshworks has gained accessed Zoho's confidential CRM database sometime between registration of Zoho's "muralip+2" test account into its CRM on January 3, 2010 and Freshworks' sending of the February 10, 2020 marketing email.

46. Freshworks again gained access to Zoho's CRM database at least once sometime between the February 12, 2020 registration of Zoho's test account into its CRM and Freshworks' sending of its February 24, 2020 marketing email to the test accounts. While these are the unauthorized access of Zoho's CRM that Zoho is aware of from its test accounts and discussions with customers, the full scope of Freshworks' systematic and unlawful breach of Zoho's confidential CRM, and the full effects of that violation, is unknown at this time. Zoho's confidential internal Zoho CRM database contains not only customer contact information, it also contains sales leads, customer feedback on products and pricing, revenue figures, confidential internal communications and customer requirements. Thus, on information and belief, Freshworks has unlawfully accessed all this Zoho confidential and proprietary competitive business information.

47. The full scope Freshworks' access to and use of Zoho confidential customer contact and preference information is yet to be known but it appears widespread. Zoho customers have complained that shortly after acquiring Zoho products, they were contacted by Freshworks offering

1 competing solutions. For example, in early 2019, Dubai Taxi, sought a ManageEngine quote through  
2 an online submission. Shortly after doing that, on information and belief, Freshworks contacted the  
3 customer offering a competing solution. On information and belief, Dubai Taxi had not made its  
4 contact information available to Freshworks and had not made any any public indication it was in the  
5 market for ManageEngine or Freshworks solutions. Similarly, around the same time, on information  
6 and belief, Sharjah University also sought a ManageEngine quote via an online submission. Shortly  
7 after doing that, on information and belief, Freshworks contacted the customer offering a competing  
8 solution. On information and belief, Sharjah University had not made its contact information  
9 available to Freshworks and had not made any any public indication it was in the market for  
10 ManageEngine or Freshworks solutions.

11 48. Freshworks' theft and misappropriation of Zoho's confidential customer data is not  
12 limited to the unauthorized access and theft of data from Zoho's Zoho CRM. Freshworks has also  
13 been aggressively pressuring Zoho Partners who are under strict confidentiality obligations to  
14 disclose Zoho confidential information in connection with conversion of their Zoho projects and  
15 customers to competing Freshworks platforms. Instead of trying to compete with Zoho on a level  
16 playing field in the marketplace, Freshworks is now interfering with Zoho's ongoing and prospective  
17 relationships with its channel partners and seeking to have them violate their confidentiality  
18 agreements with Zoho. Furthermore, in its effort to get Zoho Partners to switch allegiance and  
19 become Freshworks partners, Freshworks has also made use of other Zoho confidential information.  
20 Namely, in attempting to persuade Zoho Partners to become Freshworks Partners, Freshworks has  
21 disclosed knowledge of Zoho's confidential Partner commission structure. This commission  
22 structure is maintained strictly confidential. In addition to all Zoho employees with knowledge of  
23 this structure being obligated to maintain the confidentiality of this structure, each and every Zoho  
24 Partner is under strict written obligations to maintain the commission structure confidential. Despite  
25 this, Freshworks has somehow gained access to this Zoho confidential commission information and  
26 made use of it in an effort to convert Zoho Partners. As an example, in 2019 Freshworks met with  
27 Zoho Partner EasyToCheck. In that meeting, Freshworks disclosed knowledge of the Zoho Partner  
28 commission rate structure and attempted to undercut it in an effort to convert Zoho's Partner.

**D. Zoho Has Been Harmed by Freshworks Unauthorized Access to and Use of Zoho Confidential Information**

49. Zoho built its business on significant investment in its products, employees, customer and partner relationships and understanding of the market. Zoho develops its products with a long-term vision of offering a suite of products and services that will address a company's entire software needs. That thorough understanding of customer requirements, which begins with Zoho's investment in internal talent through its employee training programs and ends with its use and belief in its own products, is what has enabled Zoho to amass a robust and loyal customer base. Its reputation, built over two decades in the industry, opens doors to sales leads and partnership opportunities.

50. By misappropriating Zoho's customer data, sales lead data and partner commission information, and market information, Freshworks is trying to shortcut the hard work and goodwill that is necessary to build a robust customer following. Freshworks' systematic copying of Zoho's product development, contacting of Zoho customers and sales leads using Zoho's confidential customer and sales information, and sales tactics using Zoho's confidential commission and customer requirements information gives Freshworks an unfair advantage by allowing it (1) to avoid having to expend the time and resources to identify and target sales leads, (2) do the development and testing work needed to identify features and functionalities potential customers may want, and (3) undercut Zoho on pricing using confidential information, enabling Freshworks to get a head start competing against Zoho. It harms Zoho by potentially diverting customers or allowing Freshworks to undercut Zoho on pricing or other sales terms.

51. With this action, Zoho seeks to vindicate its rights, prevent any further theft and misuse of confidential, proprietary trade secret information, and obtain compensation for its damages and for Freshworks' enrichment resulting from its unlawful conduct.

**FIRST CAUSE OF ACTION**  
**(Violation of Defense of Trade Secret Act)**

52. Zoho incorporates all of the above paragraphs as though fully set forth herein.

53. Zoho owns and possesses certain confidential, proprietary, and trade secret information. Zoho's owns the following trade secrets: its confidential Partner commission rate structure; compilations of customer and lead names, private email addresses, phone numbers, key

1 contacts, engagement history, feature and product preferences, pricing terms, prior offers, feature  
2 requests and sale strategy information and; confidential revenue figures for Zoho products

3 54. Zoho's trade secrets relate to products and services used, sold, and ordered in, or  
4 intended to be used, sold, and/or ordered in, interstate and foreign commerce.

5 55. Zoho has taken reasonable measures to keep such information secret and confidential.  
6 For example, access to Zoho's CRM is limited to only those Zoho employees who need access to the  
7 information to perform their job responsibilities. All employees are subject to confidentiality  
8 agreements that prohibit employees from using or disclosing Zoho information outside of Zoho both  
9 during and after their employment with Zoho. All channel partners with access to Zoho confidential  
10 customer and product information and commission information are bound by strict confidentiality  
11 provisions.

12 56. Because of Zoho's confidentiality provisions, its confidential and proprietary trade  
13 secret information is not available to others in the web-based business software industry to use  
14 through any legitimate means.

15 57. Zoho's confidential and proprietary trade secret information derives independent  
16 economic value from not being generally known to, and not being readily ascertainable through  
17 proper means by, another person who could obtain economic value from the disclosure or use of that  
18 information.

19 58. In violation of Zoho's rights, Freshworks misappropriated Zoho's confidential and  
20 proprietary trade secret information in the unlawful manner as alleged herein. Specifically,  
21 Freshworks has gained access to and used Zoho's trade secret customer, lead and Partner  
22 information. Freshworks' misappropriation of Zoho's confidential and proprietary trade secret  
23 information was intentional, knowing, willful, malicious, fraudulent, and oppressive. Freshworks has  
24 attempted and continues to attempt to conceal its misappropriation.

25 59. The acts of misappropriation done by Freshwork's employees alleged herein were  
26 done within the scope of their employment and their misappropriation and use of  
27 Zoho's trade secrets were incident to their duties.  
28

60. On information and belief, if Freshworks is not enjoined, Freshworks will continue to misappropriate and use Zoho's trade secret information to its own benefit and to Zoho's detriment.

61. As a direct and proximate result of Freshworks' conduct, Zoho has suffered, and if Freshworks' conduct is not stopped, will continue to suffer severe competitive harm, irreparable injury, and significant damages, in an amount to be proven at trial. Because Zoho's remedy at law is inadequate, Zoho seeks, in addition to damages, preliminary and permanent injunctive relief to recover and protect its confidential and proprietary trade secret information and to protect other legitimate business interests. Zoho operates in a competitive market and will continue to suffer irreparable harm absent injunctive relief.

62. Zoho has been damaged by all the foregoing and is entitled to an award of exemplary damages and attorneys' fees.

**SECOND CAUSE OF ACTION**  
**(Violation of California Uniform Trade Secrets Act, Cal. Civ. Code § 3426, *et seq.*)**

63. Zoho incorporates all of the above paragraphs as though fully set forth herein.

64. Zoho's confidential Partner commission rate structure and its confidential customer and lead information (specifically, compilations of customer and lead names, private email addresses, phone numbers, key contacts, engagement history, feature and product preferences, pricing terms, prior offers, feature requests and sale strategy information) and Zoho's confidential revenue figures constitute trade secrets defined by California's Uniform Trade Secrets Act. Zoho owns and possesses this trade secret information, as alleged above.

65. Zoho has taken reasonable measures to keep such information secret and confidential. For example, access to Zoho's CRM is limited to only those Zoho employees who need access to the information to perform their job responsibilities. All employees are subject to confidentiality agreements that prohibit employees from using or disclosing Zoho information outside of Zoho both during and after their employment with Zoho. All channel partners with access to Zoho confidential customer and product information are bound by strict confidentiality provisions.

66. Freshworks knew or should have known under the circumstances that the information misappropriated by it were trade secrets.

67. Freshworks misappropriated these trade secrets at least by acquiring trade secrets with knowledge of or reason to know that the trade secrets were acquired by improper means, and Freshworks is using the trade secrets acquired by improper means without Zoho's consent.

68. As a direct and proximate result of Freshworks' conduct, Zoho is threatened with injury and has been injured in an amount that will be proven at trial. Zoho has also incurred, and will continue to incur, additional damages, costs, and expenses, including attorneys' fees, as a result of Freshworks' misappropriation. As a further proximate result of the misappropriation and use of Zoho's trade secrets, Freshworks was unjustly enriched.

69. Freshworks' misappropriation of Zoho's confidential and proprietary trade secret information was willful, malicious, and fraudulent. Freshworks is therefore entitled to exemplary damages under California Civil Code § 3426.3(c).

70. Freshworks' conduct constitutes transgressions of a continuing nature for which Zoho has no adequate remedy at law. Unless and until enjoined and restrained by order of this Court, Freshworks will continue to retain and use Zoho's trade secret information to enrich itself and divert business from Zoho. Pursuant to California Civil Code § 3426.2, Zoho is entitled to an injunction against the misappropriation and continued threatened misappropriation of trade secrets as alleged herein and further asks the Court to allow discovery into the scope of Freshworks' unauthorized access of and misappropriation of Zoho's trade secret, and to restrain Freshworks from using all trade secret information misappropriated from Zoho and to return all trade secret information to Zoho.

71. Pursuant to California Civil Code § 3426.4 and related law, Zoho entitled to an award of attorneys' fees.

#### **DEMAND FOR JURY TRIAL**

72. Zoho respectfully requests a jury trial in this action under the Federal Rules of Civil Procedure on all issues so triable.

#### **PRAYER FOR RELIEF**

WHEREFORE, Zoho demands judgment against Freshworks as follows:

1. Judgment in Zoho's favor against Freshworks on all causes of action alleged herein;

2. A preliminary and/or permanent injunction restraining Freshworks from maintaining possession of, directly or indirectly disclosing, or further misappropriating or directly using Zoho's confidential and proprietary information;

3. For an order requiring Freshworks to certify, in writing, under oath, that they have returned and/or destroyed all Zoho's confidential and proprietary information and no longer have any such information, or materials containing or reflecting such information;

4. For an order requiring Freshworks to identify all Freshworks employees who have had access to Zoho's confidential and proprietary information;

5. For an order enjoining any Freshworks employee who has had access to Zoho's confidential and proprietary information from being involved in sales or marketing products in competition with Zoho;

6. For compensatory damages, according to proof, with interest thereon as provided by law;

7. For exemplary damages;

8. For punitive damages;

9. For pre- and post-judgment interest on all damages;

10. For attorneys' fees;

11. For costs of suit as provided by law; and

12. For such further and other relief as the Court deems just and proper.

Dated: June 5, 2020

Respectfully submitted,

MARTON RIBERA SCHUMANN & CHANG LLP

By: /s/ Ryan J. Marton  
Ryan J. Marton

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